



# **IDENTITY THEFT**

*Data Clearinghouse*



## **IDENTITY THEFT**

### **COMPLAINT DATA**

*Figures and Trends On Identity Theft*

*November 1999 through March 2001*



**FEDERAL TRADE COMMISSION**



## **INFORMATION ON IDENTITY THEFT FOR CONSUMERS AND VICTIMS FROM NOVEMBER 1999 THROUGH MARCH 2001**

### **Customer Service**

The Federal Trade Commission (FTC) Identity Theft Hotline and Data Clearinghouse were launched on November 1, 1999.<sup>1</sup> This report summarizes the data collected from callers to our Hotline through March 2001. As of March 31, 2001, the FTC had processed over 65,000 entries from consumers and victims of identity theft. Because the Hotline and Data Clearinghouse are still relatively new, the data presented here may reflect geographical, age-related, and other variations in consumer awareness of our Hotline.

Of the entries collected during the time period of November 1999 through March 2001, 67 percent were victims' complaints, reporting incidents in which one or more types of identity theft occurred. Thirty-three percent were requests for information from consumers that are concerned about becoming victims of identity theft. This includes consumers that call after hearing press reports or other stories about identity theft, as well as proactive consumers who call to report that their personal information has been lost or stolen, or that they have disclosed their personal information to a stranger, but have not yet experienced an actual misuse of their personal information.

Consumers can contact the Clearinghouse in a variety of ways, but the most common mode of contact was by phone: 84 percent of the entries were received via the toll-free Identity Theft Hotline (877-ID-THEFT); 10 percent were received via the online complaint form located at [www.consumer.gov/idtheft](http://www.consumer.gov/idtheft); 5% were received by the Social Security Administration and forwarded to the Federal Trade Commission and 2 percent were received by mail. The volume of calls to our

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<sup>1</sup> The Clearinghouse is a subset of Consumer Sentinel, a multi-national resource for law enforcement. The Consumer Sentinel Database contains more than 285,000 general consumer fraud complaints and is accessible via a secure web site to law enforcement agencies throughout the United States, Canada, and Australia. More than 1,000 law enforcement officers rely on Sentinel as an investigative resource.

Hotline has grown dramatically. In November 1999, the Hotline answered about 445 calls per week. By March 2001, the Hotline was answering over 2,000 calls per week.

### **Type of Identity Theft Complaint**

The following are the most common types of identity theft complaints reported to the Hotline by victims.<sup>2</sup> (See Figure 1):

- *Credit Card Fraud:* About forty-seven percent of the identity theft victims that called our Hotline reported that a credit card was opened in their name or that unauthorized charges were placed on their existing credit card.
- *Unauthorized Phone or Utility Services:* Approximately twenty-two percent of victims reported that the identity thief had established a new telephone, cellular, or other utility service in their name or accessed their existing account.
- *Bank Fraud:* About fifteen percent of identity theft victims reported that a new bank account had been opened in their name, fraudulent checks had been written, or unauthorized withdrawals had been made from their account.
- *Fraudulent Loans:* Eight percent of victims reported that the identity thief had obtained a loan (personal, business, auto, real estate, etc.) in their name.
- *Government Documents or Benefits:* Eight percent of victims reported that the identity thief had obtained or forged a government document such as a driver's license, filed a fraudulent document such as a tax return, or obtained government benefits in their name.
- *Other Identity Theft:* Other types of identity theft reported to the Hotline included misuse of the victims' personal information to gain employment, obtain medical services, evade legal

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<sup>2</sup> Many consumers experience more than one form of identity theft. Therefore, the percentages represent the number of consumers who are subject to the particular injury.

sanctions and criminal records, obtain tax refunds, open or access Internet accounts, declare bankruptcy, lease residences, and purchase or trade in securities and investments.

- *Multiple Types:* Approximately half of the victims that called our Hotline reported experiencing more than one of the above types of identity theft.

## Demographics

### *Age*

Seventy-two percent of the identity theft victims that called our Hotline provided their age.

The average age of consumers reporting a complaint was 42 years of age. The most commonly reported age was 33 years of age. The age distribution of victims is provided below (*See Figure 2*):

<i>Consumer's Age</i>	<i>Percentage<sup>3</sup></i>
65 and Over	6.2
60-64	3.2
50-59	12.0
40-49	21.2
30-39	28.6
18-29	27.1
Under 18	1.7
<b>TOTAL</b>	<b>100.0</b>

### *Location*

Consumers contacted the Clearinghouse from all 50 states, including the District of Columbia, with the largest number of complaints coming from California, New York, Texas, and Florida. (*See Figure 3.*) However, the highest concentration of complaints per 100,000 people came from, in order, the District of Columbia, Nevada, Arizona, California, and Maryland (*See Figure 4*). Consumers reported the most complaints from the following cities: New York City, Chicago, Los Angeles, Houston and Miami. (*See Figure 5.*)

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<sup>3</sup> Percentage is based upon the total number of complaints where consumers reported his/her age.

About 64 percent of consumers registering a complaint provided some identifying information about the suspect, such as a name or location. According to the victims' information, the largest number of suspects came from the following cities: New York City, Los Angeles, Chicago, Miami, and Detroit. (*See Figure 6.*)

### ***Relationship***

Approximately 12 percent of all victims had a personal relationship with the suspect. The distribution by type of victim-suspect relationship is provided below. (*See Figure 7*):

<b><i>Relationship</i></b>	<b><i>Percentage</i></b>
No Relationship	88.0
Relationship	12.0
<b>TOTAL</b>	<b>100.0</b>

<b><i>Type of Relationship</i></b>	<b><i>Percentage<sup>4</sup></i></b>
Family Member	5.9
Significant Other	1.0
Neighbor	0.5
Workplace Co-worker/Employer/Employee	1.0
Otherwise Known	3.6
<b>TOTAL</b>	<b>12.0</b>

### **Steps Taken by Victim in Response to Identity Theft**

Almost 35 percent of victims noticed the identity theft within one month of its occurrence. However, some victims were unaware of the theft for as long as five years. The average amount of time between the date the identity theft occurred and the date it was noticed by the victim was 15 months. (*See Figure 8.*)

One of the primary purposes of the Identity Theft Hotline is to provide consumers with information about identity theft prevention and protection. In addition, if a consumer has already

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<sup>4</sup> Percentage is based upon the total number of complaints where the consumer reported a relationship with the suspect.

become a victim of identity theft, Hotline counselors tell them what steps to take to minimize the risk of further harm. Specifically, they are encouraged to contact the fraud departments of each of the three major credit bureaus, to notify the appropriate financial institutions of any accounts that have been fraudulently accessed or opened, and to file a report with their local police department. At the time of their initial call to the Hotline, only 52 percent of victims had notified any of the three major credit bureaus. Fifty percent of victims had placed fraud alerts on their files. (*See Figure 9.*)

Approximately 49 percent of victims had notified the financial institutions involved in the identity theft. Only 12 percent of victims had sent written notification to these institutions. (*See Figure 10.*) Fifty-three percent of all victims had notified their local police department of their identity theft prior to calling our Hotline. The response from local law enforcement was mixed, and varied by state. Only 35 percent of the victims calling the Hotline had been able to obtain a police report. (*See Figures 11 and 12.*)

## **Conclusion**

The aggregate statistics presented here provide general information about the nature and extent of identity theft as reported by victims. The victims' complaints also contain anecdotal information describing their experiences. Taken together, the information in the Clearinghouse Database shows that identity theft has a devastating affect on consumers' lives.

Most consumers have no idea how this happened to them and do not discover their personal information has been misused for more than a year, and sometimes as long as five years. Victims must spend significant amounts of time contacting creditors and credit reporting agencies in order to repair the damage done to their credit histories. In the meantime, they are often unable to obtain credit and financial services, telecommunication and utility services, and sometimes employment.

Wages may be garnished, or tax refunds withheld, due to the bad debts or other penalties levied in their names. Where the identity thief has created a criminal record in the victim's name, consumers report having driving and other licenses revoked, failing background checks for employment and other purposes, and even being arrested and detained.

The difficulties victims experience as a result of identity theft are of great concern to the FTC. The FTC's Identity Theft program, established pursuant to the Identity Theft and Assumption Deterrence Act, Pub. L. No. 105-318, 112 Stat. 3007 (1998)(codified at 18 U.S.C. § 1028)(the "ID Theft Act"), assists consumers who are, or are concerned about becoming, identity theft victims.

The program's components include:

- The Identity Theft Toll-Free Hotline - 877-IDTHEFT (877-438-4338): The central place of contact in the federal government for identity theft victims to report their problems and receive help. Phone counselors take a report and provide consumers with guidance on the steps they can take to protect themselves against further harm and how to address credit-related problems that may have resulted from the identity theft.
- The Identity Theft Data Clearinghouse: The database created to track the complaints the Hotline receives from victims of identity theft. Data Clearinghouse information is shared electronically with other law enforcement agencies nationwide via the FTC's secure law enforcement Web site, *Consumer Sentinel*.
- Consumer Education: The FTC published a comprehensive 22-page booklet, *Identity Theft: When Bad Things Happen to Your Good Name*. The booklet, put together with the assistance of a number of government agencies, includes information on what consumers can do to reduce their risk of identity theft; how consumers can protect their personal information; the steps consumers can take if they do become victims of identity theft; how to correct credit-related problems



stemming from identity theft; and a directory of government resources available to identity theft victims.

- The Identity Theft Web Site: The FTC created and maintains the federal government's central web site on identity theft ([www.consumer.gov/idtheft](http://www.consumer.gov/idtheft)). Also available on the site is an *online complaint form* that lets identity theft victims file a complaint directly with the FTC.

Information available on the Web site includes tips for consumers, reports of recent identity theft cases and scams, information on state identity theft laws, reports & Congressional testimony related to identity theft, and links to other useful web sites.

- Identity Theft Workshops: The FTC hosted an ID Theft Victim Assistance Workshop Oct. 23 and 24, 2000. The Victim Assistance Workshop brought together more than 170 representatives of the financial services industry, credit bureaus and federal, state and local law enforcement agencies, as well as consumer advocates and identity theft victims, to flesh out the problems that ID theft victims experience when trying to restore their good names and financial health, and to explore steps to make the process less burdensome on victims.

The FTC is continuing to work together with federal, state, and local government agencies, the private sector, and the public interest community to find better ways to detect, prevent, and investigate identity theft, and respond to the needs of victims of identity theft.